

OFFICE OF ADVOCACY
U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

August 18, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A325
Washington, D.C. 20554

Re: Amendment of Part 15 of the
Commission's Rules Regarding Spread
Spectrum Devices; ET Docket No. 99-231

Dear Ms. Salas:

On October 4, 1999, The Office of Advocacy of the U.S. Small Business Administration filed comments in the above-referenced proceeding, criticizing elements of the initial regulatory flexibility analysis (IRFA) that the FCC conducted.

Subsequently, Advocacy received information that the proposed new rules may benefit small home-based businesses. Advocacy filed a letter with the FCC on February 29, 2000, indicating that the FCC should study the positive as well as the negative impact of its rules on small business. The FCC is not relieved of its obligations under the Regulatory Flexibility Act (RFA) in this case simply because its proposed rules may benefit small home-based businesses.

In fact, several parties also believe the FCC's proposed Part 15 rules may lead to harmful interference to current spread spectrum devices. The FCC's NPRM discussed the goal of improving data transmission speeds for wireless networks, and acknowledged the objection that the proposed rules change would increase harmful interference. But the FCC did not explore these issues within the context of small business, as RFA requires.

A proper IRFA would have explored any interference concerns, and the impact that increased interference may have on small manufacturers of spread spectrum devices. A proper IRFA would have discussed the possible benefit high-speed data links would provide for home-based businesses. A proper IRFA would have proposed alternative means of decreasing interference concerns. Based on the record, the FCC would then strike an appropriate balance between cost and benefit.

It has been represented to Advocacy that FCC staff interprets Advocacy's February 2000 letter as withdrawing its October 1999 comments. We have no way of verifying whether this representation is accurate. Regardless, Advocacy does want to clarify that it did not intend to withdraw its critical comments or relieve the FCC of its duty under RFA. Advocacy takes no position on the merits of the proposed rule, other than to reiterate that the FCC should conduct a regulatory flexibility analysis to study the significant impact, both positive and negative, that the proposal may have on small business.

Respectfully submitted,

Jere W. Glover
Chief Counsel for Advocacy

Bradley Koerner
Assistant Chief Counsel for Telecommunications

cc: Chairman Kennard
Commissioner Ness
Commissioner Furchtgott-Roth
Commissioner Powell
Commissioner Tristani
Francisco Montero
Dale N. Hatfield
Rebecca Dorch
Jill Pender
Julius Knapp